



JOSEPH KELLY
TREASURER AND TAX COLLECTOR

COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR

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June 4, 2015

TO: Mayor Michael D. Antonovich
Supervisor Hilda L. Solis
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe

FROM: Joseph Kelly 
Treasurer and Tax Collector

SUBJECT: **2015-16 TAX AND REVENUE ANTICIPATION NOTES**

This memorandum is to advise you that my office successfully priced \$900 million of Tax and Revenue Anticipation Notes ("TRANS") on Tuesday, June 2, 2015, at a borrowing cost of 0.29%. The 2015-16 TRANS was authorized by your Board on May 12, 2015, as a necessary component of the County's cash management program. The 2015-16 TRANS were issued as a single series of notes that will mature on June 30, 2016.

The pricing of the 2015-16 TRANS was accomplished in a market that has become increasingly concerned with the potential for rising short-term interest rates, with investors now anticipating a Federal Reserve Bank increase in their benchmark federal funds rate as early as September 2015. Despite the challenging market conditions, the 2015-16 TRANS were over-subscribed, with the County receiving orders from 25 different investors. Importantly, sizeable orders were received from five of the seven institutional investors that met directly with the County prior to the sale.

In connection with the sale of the 2015-16 TRANS, the County again received the highest short-term ratings from each of the three major credit rating agencies. Fitch Ratings, Moody's Investors Service, and Standard and Poor's assigned ratings of F1+, MIG 1, and SP-1+, respectively. Each of the credit rating agencies cited the improving local economy, rising property tax revenue, and the County's conservative management practices as positive factors in making their ratings determinations.

Should you have any questions regarding the sale of the 2015-16 TRANS, please contact me directly or have your staff contact Glenn Byers, Assistant Treasurer and Tax Collector, of my staff at 974-7175 or gbyers@ttc.lacounty.gov.

JK:GB:DB:KC:pab
Pb/brdmemo/2015-16trans

c: Interim Chief Executive Officer
Auditor-Controller
County Counsel
Acting Executive Officer, Board of Supervisors